Remarks of COL WILLIAM J. BAYLES before the Mississippi River Caucus
15 March 2001

Mr. Chairman, it is an honor to appear before you today. My name is William Bayles, and I have served our nation for 23 years, both in the U.S. and overseas. Last July, I assumed my first assignment with the Army Corps of Engineers, taking command of the Rock Island District.

Today, I have been asked to discuss the public involvement process and current status of the Upper Mississippi-Illinois Waterway System Navigation Study. This study is the most comprehensive and one of the most difficult studies ever undertaken by the Corps, considering the need to balance commerce needs with impacts to a sensitive environment. The study team has made significant advancements in water resource planning that is benefiting other large studies across the country. The National Research Council commended the Corps for undertaking an exceedingly difficult task and making important advances in economic and environmental modeling.

We have been very open in the conduct of this study and have listened carefully to the concerns of all interested parties regarding its approaches and conclusions. Just one year ago, several of those interested individuals testified to you of their satisfaction with our public involvement process, and I would like to tell you a little about that process this afternoon.

Since the beginning of the Navigation Study, we have made a concentrated, continual effort to inform, educate, and involve other agencies and interested people in the study. Today, the study's public involvement mailing list includes some 10,000 names including governmental agencies at all levels, commercial and environmental interests, the news media, and interested citizens. We published nineteen newsletters informing people of the study status and public meetings. Since 1993, attendance at such meetings numbers some 7,000 citizens. We also established a website and toll-free phone number to provide information and receive comments. The website provides study documents, meeting announcements, meeting minutes and information papers among other documents. All of these efforts were done to ensure our fellow citizens are aware and informed. We will also schedule more meetings during the public comment period on the Draft Feasibility Report.

We have also met regularly with recognized experts and government agency representatives. At the beginning of the study, we formed committees in five areas: engineering, environmental, economics, public involvement, and the Governors' Liaison Committee. These committees, comprised of state, federal, and academic representatives, have met throughout course of the study. For example, the Governors' Liaison Committee, consisting of representatives appointed by the Governors of each of the five involved states, has met 23 times, providing significant impacts on policy and the scope of study.

Our coordination with the five states and other federal agencies has brought new dimensions to the study scope and its implementation. For example, we undertook more concentrated studies of navigation effects on river ecology, focusing more closely on mussel population, backwater sedimentation and aquatic plants' reaction to suspended sediment. Input from the environmental study committee also resulted in our reprogramming some $1.5M to study cumulative environmental effects. One of these

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committees also influenced the formulation of our economic analysis. The Economics Coordination Committee provided suggestions on incorporating demand elasticities into the estimate of projected barge delays and on the means to quantify the benefits that accrue from each of the many alternatives we are examining. In summary, this coordination process has been very beneficial to the study.

As I mentioned just a moment ago, this is a complex study, with several major areas of investigation. Since no recommendations regarding infrastructure additions have been made, it is appropriate for me to outline for you the current status of work. Recently, the economic study group finished the initial analysis of economic benefits of the various infrastructure alternatives reflecting reduced traffic projections obtained last summer. These alternatives under consideration ranged from no structural modifications at all, but included an alternative often mentioned by the press--lengthening seven locks and extending five guide walls with an initial cost of over $1B. In conducting the economic analysis, the study team used the ESSENCE model, developed by the economics team during the mid-to late 1990's. We used this model because it appeared to the best available methodology that took into consideration the elasticity of demand for water transportation.

From there, the environmental study team initiated mathematical modeling to determine environmental impacts for each alternative—a lengthy process involving numerous computer modeling runs involving many combinations of locations and barge traffic densities. Significantly, each computer trial requires application of professional judgment for each result, each location, and each alternative. This is where we are today. Our next step would be to determine, environmental impacts and mitigation costs of each alternative, and then resume the economic analysis to determine costs and benefits of each alternative—again, from no construction to various alternatives involving infrastructure improvements. From there we would prepare the draft report with a recommended alternative and release it for public comment. As you can see, we are still several crucial steps away from a recommendation and a draft feasibility report.

We have completed a preliminary review of the National Research Council's comments on our study and hope to have a dialogue with the NRC reviewers in the near future. Their review of our working draft proposes new complexities to the already complex study. On one hand, the Council's review documents many policy and scope of study decisions made in the early 1990's. On the other hand, the review suggests many improvements, some of which would require very significant additional investments of time and funding. The review's most significant proposal is a new and more detailed economic analysis approach involving modeling commodity flows by multiple transportation modes from each grain producing county in the Midwest to the multiple destinations to which grain goes for export and domestic use.

Let me conclude by stating we are very conscious of our responsibility to satisfy the needs of the American people as we continue this study. I know the people demand an honest, unbiased review of navigation needs and the study team and I intend to provide that to our fellow citizens. The American people also have an interest in the prompt conclusion of this study and this is a responsibility we take very seriously as well.

Mr. Chairman, I have tried to anticipate your questions, but will be happy to clarify or answer further questions at this or any other time.

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